

**R434. Health, Health Systems Improvement, Primary Care and Rural Health.**  
**R434-40. Utah Health Care Workforce Financial Assistance Program Rules.**

**R434-40-1. Purpose.**

This rule implements the Utah Health Care Workforce Financial Assistance Program Act, Utah Code, Title 26, Chapter 46; which governs the award of grant funds to health care professionals to repay loans taken for educational expenses; and the award of scholarship funds to individuals seeking to become health care professionals in exchange for serving for a specified period of time in a underserved area of the state.

**R434-40-2. Authority.**

This rule is required by Subsections 26-46-102(3) and 26-46-103(6)(a), and is promulgated under the authority of Section 26-1-5.

**R434-40-3. Definitions.**

The definitions as they appear in Section 26-46-101 apply. In addition:

(1) "Applicant" means an individual who submits a completed application and meets the application requirements established by the Department for a loan repayment or scholarship grant under the act.

(2) "Approved site" means a site approved by the Department that meets the eligibility criteria established in this rule and that is:

(a) within an underserved area where health care is provided and the majority of patients served are medically underserved due to lack of health care insurance, unwillingness of existing health care professionals to accept patients covered by government health programs, or other economic, cultural, or language barriers to health care access; or

(b) that is a Utah nursing school or training institution that provides a nursing education course of study to prepare persons for the practice of nursing under Title 58, Chapter 31b, Nurse Practice Act, or under Title 58, Chapter 44a, Nurse Midwife Practice Act; has a shortage of nurse educator faculty; and meets the criteria established by the Department.

(3) "Committee" means the Utah Health Care Workforce Advisory Committee created by Section 26-1-7.

(4) "Dentist" means an individual licensed under Title 58, Chapter 69, Dentist and Dental Hygienist Practice Act, to practice dentistry.

(5) "Department" means the Utah Department of Health.

(6) "Educational expenses" means the cost of education in a health care profession, including books, education equipment, fees, materials, reasonable living expenses, supplies, and tuition.

(7) "Educational loan" means a commercial, government, or government-guaranteed loan taken to pay educational expenses.

(8) "Grant" means a grant of funds under a grant agreement.

(9) "Loan repayment" means a grant of funds under a grant to defray educational loans in exchange for service for a specified period of time at an approved site.

(10) "Mental health therapist" means an individual licensed under:

(a) Title 58, Chapter 60, Mental Health Professional Practice Act, or Title 58, Chapter 61, Psychologist Licensing Act; or

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(b) Title 58, Chapter 67, Utah Medical Practice Act, as a physician and surgeon, or Title 58, Chapter 68, Utah Osteopathic Medical Practice Act, as an osteopathic physician and surgeon who is engaged in the practice of mental health therapy.

(11) "Nurse" means an individual licensed to practice nursing in the state under Title 58, Chapter 31b, Nurse Practice Act, or under Title 58, Chapter 44a, Nurse Midwife Practice Act.

(12) "Nurse educator" means a nurse employed by a Utah school of nursing providing nursing education to individuals leading to licensure or certification as a nurse.

(13) "Physician" means an individual who is licensed to practice in the state under Title 58, Chapter 67, Utah Medical Practice Act, or Title 58, Chapter 68, Utah Osteopathic Medical Practice Act.

(14) "Physician assistant" means an individual who is licensed to practice in the state under Title 58, Chapter 70a, Physician Assistant Practice Act.

(15) "Postgraduate training" means internship, practicum, preceptorship, or residency training required for health care professionals licensure and as required by this rule.

(16) "Recipient" means an applicant selected to receive a loan repayment or scholarship grant under the act.

(17) "Scholarship" means a grant of funds for educational expenses given to an individual under a grant agreement where the individual agrees to become a nurse educator in exchange for service for a specified period of time at an approved site that is a Utah nursing school or training institution.

(18) "Service obligation" means professional service rendered at an approved site for a minimum of two years in exchange for a scholarship or loan repayment grant.

**R434-40-4. Health Care Professionals Loan Repayment Grants – Terms and Service.**

(1) To increase the number of health care professionals in underserved areas of the state, the Department may provide loan repayment grants to health care professionals to repay loans taken for educational expenses in exchange for their agreement to serve for a specified period of time at an approved site in the state.

(2) Loan repayment grants may be given only to repay bona fide loans taken by a health care professional for educational expenses incurred while pursuing an education at an institution that awards a degree that qualifies a health care professional to practice in his field.

(3) Loan repayment grants under this section may not:

(a) be used to satisfy other obligations owed by the health care professional under any similar program and may not be used to repay a loan that is in default at the time of application; or

(b) be in an amount greater than the total outstanding balance on the loans taken for educational expenses, including accrued interest.

(4) The Department may not disburse any grant monies under the act until the recipient has performed at least three months of service at the approved site.

**R434-40-5. Health Care Professionals Scholarship Grants -- Terms and Service.**

(1) To increase the number of nurse educators in underserved areas in the state, the Department may provide scholarship grants to individuals seeking to become nurse educators in exchange for their agreement to serve for a specified period of time at an approved site in the state.

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(2) Scholarship grants may be given to pay educational expenses while pursuing an education at an institution accredited by the National League of Nursing that provides training leading to the award of a final degree that qualifies the applicant to become a nurse educator in the state.

(3) Scholarship grants given under this section may not be used to satisfy other obligations owed under any similar program and may not be in an amount more than is reasonably necessary to meet educational expenses.

(4) Scholarship grant recipients shall seek a course of education following a schedule of at least a minimum number of course hours per year as set by the Department which leads to receipt of a degree or completion of specified additional course work in a number of years as established by the Department.

**R434-40-6. Loan Repayment Grant Administration.**

(1) The Department may award loan repayment grants to repay loans taken for health care professionals' educational expenses. The Department may consider committee recommendations in awarding loan repayment grants.

(2) As requested by the Department, a loan repayment grant recipient shall provide information reasonably necessary for administration of the program.

(3) The Department shall determine the total amount of the loan repayment grant.

(4) The loan repayment grant recipient may not enter into any other similar contract until the recipient satisfies the service obligation described in the grant agreement.

(5) The Department may approve payment to a loan repayment grant recipient for increased federal, state, and local taxes caused by receipt of the loan repayment grant.

(6) The Department shall not pay for an educational loan of a loan repayment grant applicant who is in default at the time of an application.

(7) Before receiving a loan repayment grant, the applicant must enter into a grant agreement with the Department that binds him to the terms of the program.

(8) A loan repayment grant recipient must have a permanent, unrestricted license to practice in his health care specialty in Utah before his first day of service under the grant agreement.

(9) Prior to beginning to fulfill his service obligation, a loan repayment grant recipient must obtain approval from the Department, of the site where he may complete his service obligation.

(10) A loan repayment grant recipient must obtain approval from the Department prior to changing the approved site where he fulfills his service obligation.

**R434-40-7. Scholarship Grant Administration.**

(1) The Department may award scholarship grant funds to an applicant for a maximum of four years or until earning the nursing postgraduate degree. The Department may consider committee recommendations in awarding scholarship grants.

(2) The Department may pay tuition and fees directly to the school and determine the amount and frequency of direct payments to the student.

(3) The scholarship grant recipient may not enter into a scholarship agreement other than with the program established in Section 26-46-1 until the service obligation agreed upon in the grant agreement with the Department is satisfied.

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(4) A scholarship grant recipient must work full-time, as defined by the scholarship grant recipient's employer and as specified in his grant agreement with the Department.

(5) A scholarship grant recipient must serve one year of service obligation for each year he received a scholarship grant under this program, with a minimum of two years required.

(6) The Department may cancel a scholarship grant at any time if it finds that the scholarship grant recipient has voluntarily or involuntarily terminated his schooling, postgraduate training, or if it appears to be a reasonable certainty that the scholarship grant recipient does not intend to practice as required by statute, rules, and grant agreement in an underserved area in the state.

(7) Upon completion of schooling and required postgraduate training, the scholarship grant recipient is responsible for finding employment at an approved site.

(8) A scholarship grant recipient must obtain approval from the Department prior to beginning service obligation at an approved site.

(9) A scholarship grant recipient must obtain approval from the Department prior to changing the approved site where he fulfills his service obligation.

(10) A scholarship grant recipient must obtain an unrestricted license to practice in the state and begin practicing for the agreed upon period of time at an approved site within three months of completion of postgraduate training.

(11) If there is no available approved site upon a scholarship grant recipient's graduation, the recipient shall repay the scholarship grant amount as negotiated in the scholarship grant agreement.

### **R434-40-8. Eligible Bona Fide Loans.**

A bona fide loan includes the following:

(1) a commercial loan made by a bank, credit union, savings and loan association, insurance company, school, or credit institution;

(2) a governmental loan made by a federal, state, county, or city agency;

(3) a loan made by another person that is documented by a contract notarized at the time of the making of the loan, indicative of an arm's length transaction, and with competitive term and rate as other loans available to students; or

(4) a loan that the applicant conclusively demonstrates to the Department is a bona fide loan.

### **R434-40-9. Full-Time Equivalency Provisions for Recipients.**

(1) The loan repayment grant amount is based on the level of full-time equivalency that the loan repayment grant recipient agrees to work.

(2) A loan repayment grant recipient who provides services for at least 40 hours per week may be awarded a loan repayment grant based on the percentages as determined by the Department.

(3) A loan repayment grant recipient who provides services for less than 40 hours per week may be awarded a proportionately lower loan repayment grant based on a full-time equivalency of 40 hours per week.

(4) A scholarship grant recipient must work full-time, as defined by the scholarship grant recipient's employer and as specified in the scholarship grant with the Department.

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(5) A scholarship grant recipient must serve one year of service obligation for each year he received a scholarship grant under this program, with a minimum of two years required.

(6) The Department may approve a full-time equivalency of less than 40 hours per week if the applicant's employer can demonstrate that performing less than 40 hours per week at the work site combined with other activities, such as on-call service, is equivalent to a 40 hour work week.

**R434-40-10. Approved Site Determination.**

(1) The Department shall approve sites based on comprehensive applications submitted by sites.

(2) The criteria the Department may use to determine an approved site for sites that are not nursing schools include:

- (a) the percentage of the population with incomes under 200% of the federal poverty level;
- (b) the percentage of the population 65 years of age and over;
- (c) the percentage of the population under 18 years of age;
- (d) the distance to the nearest health care professionals and barriers to reaching the health care professionals;
- (e) ability of the site to provide support facilities and services for the requested health care professional;
- (f) financial stability of the site; and
- (g) percent of patients served who are without insurance or whose care is paid for by government programs, such as Medicaid, Medicare, and CHIP;

(h) the applicant's policy and practice to provide care regardless of a patient's ability to pay.

(3) The criteria the Department may use to determine an approved site for sites that are nursing schools include:

- (a) a demonstrated shortage of nursing educator faculty;
- (b) number of and degrees sought by students;
- (c) number of students denied for each degree sought;
- (d) residency of students;
- (e) ability of the nursing school to provide support facilities and services for the requested position to be trained;
- (f) faculty to student ratio, including ratios of clinical and classroom instructors;
- (g) average class sizes for each of the degrees offered by the school;
- (h) school plans to expand enrollment;
- (i) diversity of students;
- (j) current and projected staffing for the type of instructor requested;
- (k) sources and stability of funding to hire and support the prospective instructor; and
- (l) distance to the next closest nursing school.

(4) The Department may give preference to sites that provide letters of support from the area served by the prospective employer, such as from:

- (a) a majority of practicing health care professionals;
- (b) county and civic leaders;
- (c) hospital administrators;
- (d) business leaders, local chamber of commerce, citizens; and

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- (e) local health departments.
- (5) The Department may give preference to sites located in a service area designated by the Secretary of Health and Human Services as having a shortage of health professional(s) and that are requesting one of the following medical specialties:
  - (a) family practice;
  - (b) internal medicine;
  - (c) obstetrics/gynecology; and
  - (d) pediatrics.
- (6) To become approved, a site must offer a salary and benefit package competitive with salaries and benefits of other health care professionals in the service area.
- (7) Other criteria that the site applicant can demonstrate as furthering the purposes of the act.

**R434-40-11. Loan Repayment Grant Eligibility and Selection.**

- (1) In selecting a loan repayment grant recipient for a loan repayment grant award, the Department may evaluate the applicant based on the following selection criteria:
  - (a) the extent to which an applicant's training in a health care specialty is needed at an approved site;
  - (b) the applicant's commitment to serve in an underserved area, which can be demonstrated in any of the following ways:
    - (i) has worked or volunteered at a community or migrant health center, homeless shelter, public health department clinic, or other service commitment to the medically underserved;
    - (ii) has work or educational experience with the medically underserved through the Peace Corps, VISTA, or a similar volunteer agency;
    - (iii) has cultural or language skills that may be essential for provision of health care services to the medically underserved;
    - (iv) other facts or experience that the applicant can demonstrate to the Department that establishes his commitment to serve in an underserved area;
    - (v) the availability of the applicant to begin service, with greater consideration being given to applicants available for service at earlier dates; and
    - (vi) the length of the applicant's proposed service obligation, with greater consideration given to applicants who agree to serve for longer periods of time.
  - (c) the applicant's:
    - (i) academic standing;
    - (ii) prior professional or personal experience serving in an underserved area;
    - (iii) board certification or eligibility;
    - (iv) postgraduate training achievements;
    - (v) peer recommendations;
    - (vi) other facts that the applicant can demonstrate to the Department that establishes his professional competence or conduct;
  - (d) the applicant's financial need;
  - (e) the applicant's willingness to serve patients who are without insurance or whose care is paid for by government programs, such as Medicaid, Medicare, and CHIP;

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- (f) the applicant's willingness to provide care regardless of a patient's ability to pay;
  - (g) the applicant's ability and willingness to provide care; and
  - (h) the applicant's achieving an early match with an approved site.
- (3) To be eligible for a loan repayment grant, an applicant must be a United States citizen or permanent resident.
- (4) The Department may consider only grant applicants who apply within one year of the applicant's anticipated date of becoming licensed or certified as a health care professional in the state.
- (5) In selecting a loan repayment grant recipient for a loan repayment grant award, the Department may consider the applicant's scores on standardized tests that are required to become licensed or certified to practice in Utah.

#### **R434-40-12. Scholarship Grant Eligibility and Selection.**

- (1) In selecting a recipient for a nurse scholarship grant, the Department may evaluate the applicant based on the following selection criteria:
- (a) the applicant's commitment to serve in an underserved area, which may be demonstrated in any of the following ways:
    - (i) has worked or volunteered to serve in an underserved area or service commitment to the medically underserved;
    - (ii) has work or educational experience with the medically underserved through the Peace Corps, VISTA, or a similar volunteer agency;
    - (iii) has cultural or language skills that may be essential for services in an underserved area; and
    - (iv) other facts or experience that the applicant can demonstrate to the Department that establishes his commitment to the medically underserved.
  - (b) evidence that the applicant has a license in good standing to practice in the state under Title 58, Chapter 31, Nurse Practice Act, or under Title 58, Chapter 44a, Nurse Midwife Practice Act;
  - (c) the applicant's academic ability as demonstrated by official transcripts and official school admission test scores;
  - (d) the applicant's evidence that he has been accepted by or currently attends an accredited school;
  - (e) the applicant's projected educational expenses;
  - (f) the applicant's educational, personal, and professional references that demonstrate the applicant's good character and potential to successfully complete school; and
  - (g) the applicant's essay which is required as part of the scholarship application;
- (2) In selecting a scholarship grant recipient, the Department may give preference to applicants who agree to serve for a greater length of time in return for scholarship assistance.
- (3) To be eligible to receive a scholarship grant, an applicant must be a United States citizen or permanent resident.

#### **R434-40-13. Loan Repayment and Scholarship Grant Service Obligation.**

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(1) Before receiving an award under the act, the recipient shall enter into a grant agreement with the state agreeing to the conditions upon which the award is to be made.

(2) The grant agreement shall include necessary conditions to carry out the purposes of the act.

(3) In exchange for financial assistance under the act, the recipient shall serve for period established at the time of the award, but which may not be for less than 24 months, in an underserved area at a site approved by the Department.

(4) The recipient's service in an underserved area at a site approved by the Department retires the amount owed for the award according to the schedule established by the Department at the time of the award.

(5) Periods of internship, preceptorship, or other clinical training do not satisfy the service obligation under the act.

(6) A scholarship grant recipient must:

(a) be a full-time matriculated student and meet the school's requirements to continue in the program and receive an advanced degree within the time specified in the scholarship grant agreement, unless extended pursuant to R434-40-16;

(b) within three months before and not exceeding one month following graduation or completion of postgraduate training, a scholarship grant recipient shall provide to the Department documented evidence of an approved site's intent to hire him.

(c) upon completion of schooling or postgraduate training, the scholarship grant recipient must find employment at an approved site.

(d) obtain an unrestricted license to practice in Utah prior to beginning to fulfill the service obligation at the approved site.

(e) obtain approval from the Department prior to beginning to fulfill his service obligation at an approved site.

(f) begin employment at the approved site within three months of graduation or completion of postgraduate training.

(g) obtain Department approval prior to changing the approved site where he fulfills his service obligation.

**R434-40-14. Loan Repayment Grant Breach, Repayment, and Penalties.**

(1) A loan repayment grant recipient under the act who fails to complete the service obligation shall:

(a) pay as a penalty twice the total amount of the loan repayment grant on a prorated basis according to a schedule established by grant agreement with the Department and 12% per annum interest on the unpaid penalty amount; and

(b) costs and expenses incurred in collection, including attorney fees.

(2) A loan repayment grant recipient who breaches his grant agreement with the Department shall begin to repay within 30 days of the breach. The Department may submit for immediate collection all amounts due from a breaching loan repayment grant recipient who does not begin to repay within 30 days.



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(3) The breaching loan repayment grant recipient shall pay the total amount due within one year of breaching the grant agreement. The scheduled payback may not be less than four equal quarterly payments.

(4) The amount to be paid back shall be determined from the end of the month in which the loan repayment grant recipient breached the grant as if the recipient had breached at the end of the month.

(5) The breaching loan repayment grant recipient shall pay the total amount due according to a schedule agreed upon with the Department which may not be longer than within four years of breaching the grant agreement.

(6) Amounts recovered and damages collected under this section shall be deposited as dedicated credits to be used to carry out the provisions of the act.

**R434-40-15. Scholarship Grant Breach, Repayment, and Penalties.**

(1) A scholarship grant recipient who :

(a) fails to finish his professional schooling within the period of time agreed upon with the Department shall within 90 days after the deadline for completing his schooling or within 90 days of his failure to continue his schooling, whichever occurs earlier, shall repay:

(i) all scholarship money received according to a schedule established at the time of the award with the Department;

(ii) if not repaid within one year of default, 12% per annum interest on unrepaid scholarship money calculated from the date each installment was received under the scholarship grant agreement; and

(iii) costs and expenses incurred in collection, including attorney fees;

(b) finishes his schooling and fails to pass the necessary professional certifications or examinations within the time period agreed upon with the Department shall repay:

(i) all scholarship money received according to a schedule established by grant agreement with the Department;

(ii) if not repaid within one year of default, 12% per annum interest on unrepaid scholarship money calculated from the date each installment was received under the scholarship grant; and

(iii) costs and expenses incurred in collection, including attorney fees;

(c) finishes his schooling and fails to take the necessary professional certifications or examinations within the time period agreed upon with the Department shall:

(i) pay as a penalty twice the total amount of the scholarship money on a prorated basis according to a schedule established by grant agreement with the Department and 12% per annum interest on the unpaid penalty amount; and

(ii) costs and expenses incurred in collection, including attorney fees;

(d) finishes his schooling and becomes a health care professional but who fails to fulfill his service obligation shall repay:

(i) twice the total scholarship grant amount received that is not yet retired by his service on a prorated basis according to a schedule established by grant agreement with the Department;

(ii) 12% per annum interest on the unretired scholarship money calculated from the date each installment was received under the scholarship grant agreement; and

(iii) costs and expenses incurred in collection, including attorney fees.

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(2) Amounts recovered and damages collected under this section shall be deposited as dedicated credits to be used to carry out the provisions of the act.

(3) The amount to be paid back shall be determined from the end of the month in which the scholarship grant recipient breached the scholarship grant as if the scholarship grant recipient had breached at the end of the month

(4) The breaching scholarship grant recipient shall pay the total amount due according to a schedule agreed upon with the Department which may not be longer than within four years of breaching the scholarship grant agreement.

#### **R434-40-16. Extension of Loan Repayment and Scholarship Grants.**

(1) The Department may extend the period within which the loan repayment grant recipient must complete the service obligation:

(a) if the loan repayment grant recipient has signed a grant agreement for two years the loan repayment grant recipient may apply on or after his first day of service under a loan repayment grant to extend his grant agreement by one year;

(b) a loan repayment grant may be extended only at an approved site;

(c) a loan repayment grant recipient who desires to extend his loan repayment grant must inform the Department in writing of his interest in extending his grant agreement at least six months prior to the end of the current service obligation.

(2) The Department may extend the period within which the scholarship grant recipient must complete his education:

(a) if the scholarship grant recipient has a serious illness;

(b) if the scholarship grant recipient is activated by the military;

(c) for other good cause shown, as determined by the Department.

(3) The service obligation may be extended only at an approved site.

#### **R434-40-17. Release of Recipient from Service Obligation.**

(1) The Department may cancel or release, in full or in part, a recipient from his service obligation under the grant agreement without penalty:

(a) if the service obligation has been fulfilled;

(b) if the recipient fails to meet the conditions of the award or if it reasonably appears the recipient will not meet the loan repayment or scholarship grant conditions;

(c) if the recipient is unable to fulfill the service obligation due to permanent disability that prevents the recipient from performing any work for remuneration or profit;

(d) if the recipient dies; or

(e) for other good cause shown, as determined by the Department.

(2) Extreme hardship sufficient to release the recipient without penalty includes:

(a) inability to complete the required schooling or fulfill service obligation due to permanent disability that prevents the recipient from completing school or performing any work for remuneration or profit;

(b) a family member, for which the recipient is the principal care giver, has a life-threatening chronic illness.

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(3) The Department may develop alternative service obligation criteria that a loan repayment or scholarship grant recipient may use to fulfill his service obligation if the loan repayment or scholarship grant recipient is unable to fulfill his service obligation at an approved site due to reasons beyond his control.

**R434-40-18. Reporting Requirements of Award Recipients.**

The Department may require an award recipient to provide information regarding the academic performance, commitment to underserved areas, continuing financial need, service obligation fulfillment, and other information reasonably necessary for the administration of the program during the period the recipient is in school; postgraduate training; and during the period the award recipient is completing the service obligation.

**R434-40-19. Reporting Requirements of Approved Sites.**

The Department may require the approved site to provide information regarding the award recipients' performance, commitment to underserved areas, service obligation fulfillment, and other information reasonably necessary for the administration of the program during the period the award recipient is completing the service obligation.

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